

CHINOOK ENTERPRISES



2014

Annual Report

SUPPORTING FULL PARTICIPATION IN COMMUNITY LIFE FOR
PEOPLE WITH DISABILITIES OR OTHER BARRIERS.

chinook enterprises

ANNUAL REPORT

2014 REAR VIEW MIRROR | A MESSAGE FROM OUR EXECUTIVE DIRECTOR

ROB MARTIN



2014 was a good year for Chinook in so many ways! After three years of a difficult economy, we experienced a much-needed upswing. Several people we serve got new jobs and for many, those jobs were their very first. We made many good inroads with the employment community and those will pay good dividends in 2015. We are working with more people than we have in a long time as more people look for employment.

Throughout the year we worked together to develop a shared vision—our management team and Board of Directors worked on the building blocks of our 2015-2017 long range plan that will guide our efforts over the next few years. Many of our staff took part in leadership training and that was our first effort in an organized staff classroom training on a larger scale. It was successful by all accounts.

Our efforts to provide community experiences to people in the Workshop has continued to grow, and several have newspaper delivery and can recycling routes as well as some neat volunteer jobs. More of their time is spent on outside ventures than inside the shop, which is fortunate because the shop will be phased out in the coming years, as it is not included in the State's long term service plan for persons with disabilities.

Our Production Department continues to make exceptional products and provide world-class service to our customers. At this point last year, we integrated the “heater tubes” project for the 777 while keeping our quality and delivery at our high standard level. This project is involved in building part of the potable water system on board the aircraft.

Our Community Manufacturing Partnership (CMP) work statement with the Boeing Company remained relatively unchanged for most of the year, but with the addition of Boeing's “seat tracks” contract in the fourth quarter, our capabilities expanded once again. Seat tracks (protective covering for floor channels in the seat rows) are cut and packaged in our Bellingham facility and we are pleased to report that this project is going very well.

Our Cutting Department continued to cut, assemble and package kits for the Boeing Shared Services Division, and we will be working to expand that next year. Our Production Department continues to lead the way in performance and delivery.

The Grounds and Landscaping Division expanded their commercial client list and now cares for nearly 300 acres each week, in all kinds of weather! Unlike other grounds companies, our work is limited to

large commercial maintenance projects. Their goal remains to provide excellent service and responsiveness all year long!

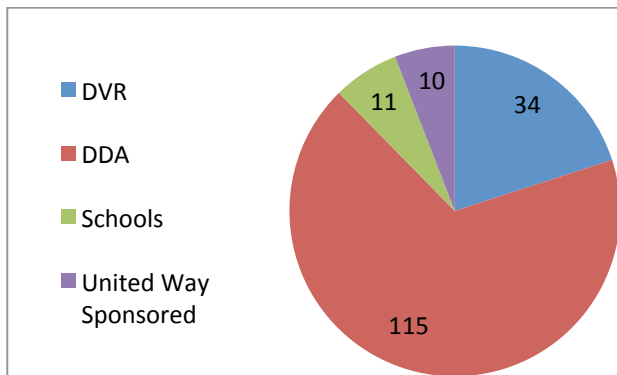
Our Administrative Services Division has added many new processes and procedures to accommodate our growth and we continue to provide great customer service and are very responsive to our staff needs.

Our Board of Directors has implemented some new procedures that guide their activities to track information and these will really help us remain focused on our mission and calculated growth going forward.

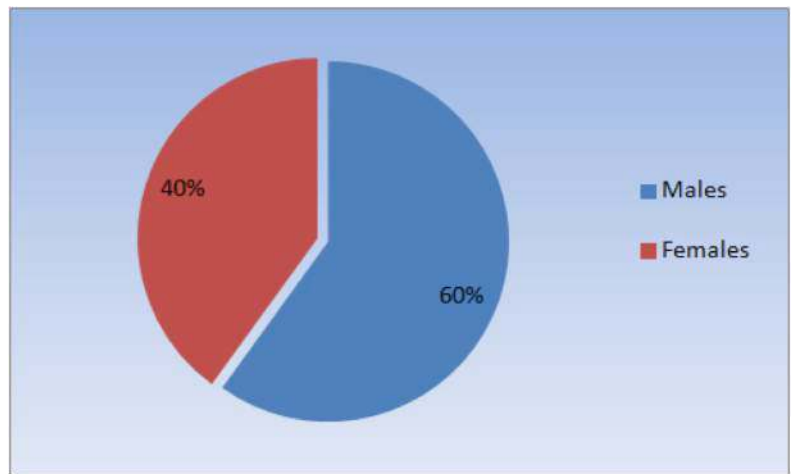
As we enter our 35th year in business, we are grateful of so many who have helped to support our vision.

Demographics

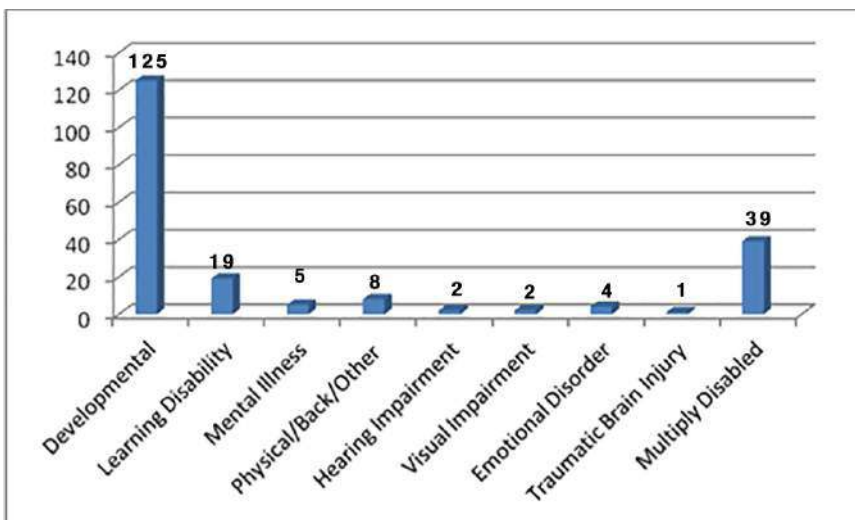
Referral Sources



Gender



Primary Disabilities Served



Ages of Persons in Services

16 – 21	8%
22 – 30	22%
31 – 40	37%
41 – 50	24%
51 – 60	7%
Over 60	2%

Departments

EMPLOYMENT SERVICES

Community Employment Services



The Community Employment Division encompasses the overall mission of Chinook Enterprises by providing services to individuals with disabilities in the Supported Production Department, on the Commercial Grounds maintenance crew and in the Community Employment Services program. Chinook provides community based services including work assessment, job placement, supported employment and retention services. We have contracts with the Division of Vocational Rehabilitation, the Developmental Disabilities Administration, Skagit County and the Mount Vernon School District in the provision of these services.



In 2014 we began utilizing iPads and a variety of Apps to help our clients, their employers and families in the areas of communication, job training, and task productivity. We began creating video resumes, which gave potential employers a visual snapshot of an applicant's skills and abilities. We also used Apps to help illustrate cost savings to employers when discussing the prospect of job carving. Job carving is defined as the identification and redistribution of tasks currently performed by a higher paid employee that could be done by an entry-level employee. Creating a new job with these tasks helps increase a company's overall productivity.

Participants supported by Chinook earned **\$406,700** in wages in 2014

33 participants obtained competitive employment

Average wage per hour earned by supported employment participants: **\$10.38**

Total Persons Served: 166

DVR: 34

DDA: 115

MVHS Transitions Program: 11

United Way Grant: 10

Supported Production Department



In 2014, every participant of our Supported Production Department had the opportunity to be involved in community based jobs or activities. Four participants had paid jobs and seven had volunteer positions. Chinook Enterprises employs people with developmental, physical, emotional, and mental disabilities, as well as those with serious medical conditions. The people working in this department typically require a close degree of supervision to ensure their safety, along with a higher degree of verbal and physical support, to help complete their jobs successfully. Each participant is provided an individualized work schedule, meeting their personal and physical needs, under the constant guidance of Chinook staff.

Our Supported Production Department has developed a number of unique options for participants, including a variety of jobs in-house, targeting specific and individualized skills for outside employment, as well as an array of community based activities, referred to as the Pathways Program. These activities are specifically designed to assist people in becoming more at ease in their community by providing one on one support while individuals explore various work experiences including job shadows, job assessments, and volunteering, the overall goal being job placement in the community where the individual resides.

We successfully transitioned one Supported Production participant to the Individual Employment program by developing enough community based work opportunities for him so he no longer needs the supported services of the sheltered workshop.

In 2014, 100% of our shop workers had the opportunity to be involved in community-based activities. Five participants have paid PT jobs in the community and 7 have volunteer positions.

We mentored ONE Skagit Valley College Human Services student in her practicum experience.

Supported Production participants had 850 HOURS of Pathways supported jobs or activity time in the community. We assembled and packaged 2,250 PARTS for the Boeing Offload program. We packaged 10 different jobs for our Boeing Shared Services contract, packaging 330,500 ITEMS. We counted and packaged 411,500 GROUND WIRES for the Boeing wire shop.

CONTRACT MANUFACTURING & ASSEMBLY

Bellingham Facility



We are working to expand our capabilities by acquiring new equipment and new skills. During 2014 we overhauled our pricing formula to better meet the tight price requirements of the wire industry. Purchasing two Brady labeling machines has increased the speed and efficiency of our label applications by taking advantage of the computerized marking for each individual wire. During 2015 we will focus on acquiring new customers and completing our ISO certification.

From **TELECOMMUNICATIONS** to **ALTERNATIVE ENERGY**, serves companies far and wide with their cable assembly needs.





Our Manufacturing and Assembly Departments have the significant role of generating revenue, which directly subsidizes the programs related to our mission. The Mount Vernon facility accounted for approximately 75% of the company's overall revenue in 2014, and the majority of this came from contracts with the Boeing Commercial Airplane Corporation.

We completed our annual **ISO 9001:2008 AND AS 9100C** external audit and received our re-certification.

Our manufacturing and assembly team was awarded three awards for quality, excellence and teamwork: we started off the year with receiving the **2014 BOEING PERFORMANCE EXCELLENCE AWARD** as well as both second and third quarter **QUALITY – MAKE-IT-PERSONAL** awards.

We expanded our machining capabilities with the addition of a **KNEE MILL** generously donated by the Boeing Corporation.



COMMERCIAL GROUNDS DEPARTMENT



The Commercial Grounds Department has been in the green business for over thirty-three years, and is also where our Group Supported Employment Program is housed. It continues to be a reliable and valuable source of integrated work for people with disabilities.

We maintain the grounds on many major contracts throughout the Skagit Valley, including Skagit Valley College, Port of Anacortes, Anthony's Homeport Restaurant, the LaConner Marina, Pleasant Ridge Cemetery, United General and Skagit Valley Hospitals, Skagit 911 and Family Care Network.

We are a full service maintenance division with services including mowing, pruning, fertilization, vegetation control, leaf raking, spreading of beauty bark, lot clean up, and landscape installations. The Commercial Grounds Department is consistently recognized throughout the Skagit Valley for the high quality of workmanship and dependability.

Every week our grounds maintenance team cares for more than nine facilities comprising approximately 300 acres.



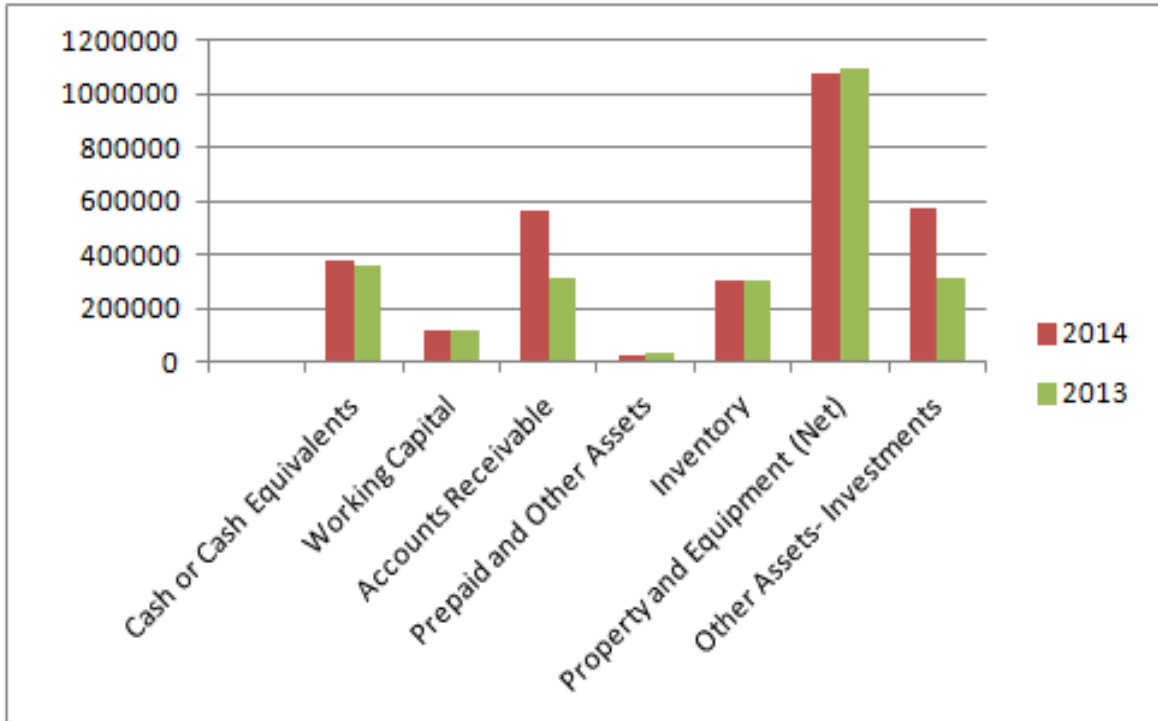
Financial Report

	2014	2013
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 377,701	\$ 362,802
Investments	120,000	120,000
Accounts Receivable	565,729	308,961
Prepaid and Other Assets	21,837	34,601
Inventory	302,576	301,328
Total Current Assets	1,387,843	1,127,692
Property and equipment, Net	1,080,158	1,094,385
Other Assets – Investments	571,170	313,860
TOTAL ASSETS	\$3,039,171	\$2,535,937
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 64,146	\$ 61,019
Accrued Liabilities	251,107	253,492
Total Current Liabilities	315,253	314,511
Long-term Debt Net of Current Maturities	0	0
TOTAL LIABILITIES	\$ 315,253	\$ 314,511
Net Assets:		
Unrestricted – Undesignated	2,031,243	1,786,061
Unrestricted – Board Designated	691,170	433,860
Temporarily Restricted	1,505	1,505
TOTAL NET ASSETS	\$2,723,918	\$2,221,426
TOTAL LIABILITIES AND NET ASSETS	\$3,039,171	\$2,535,937

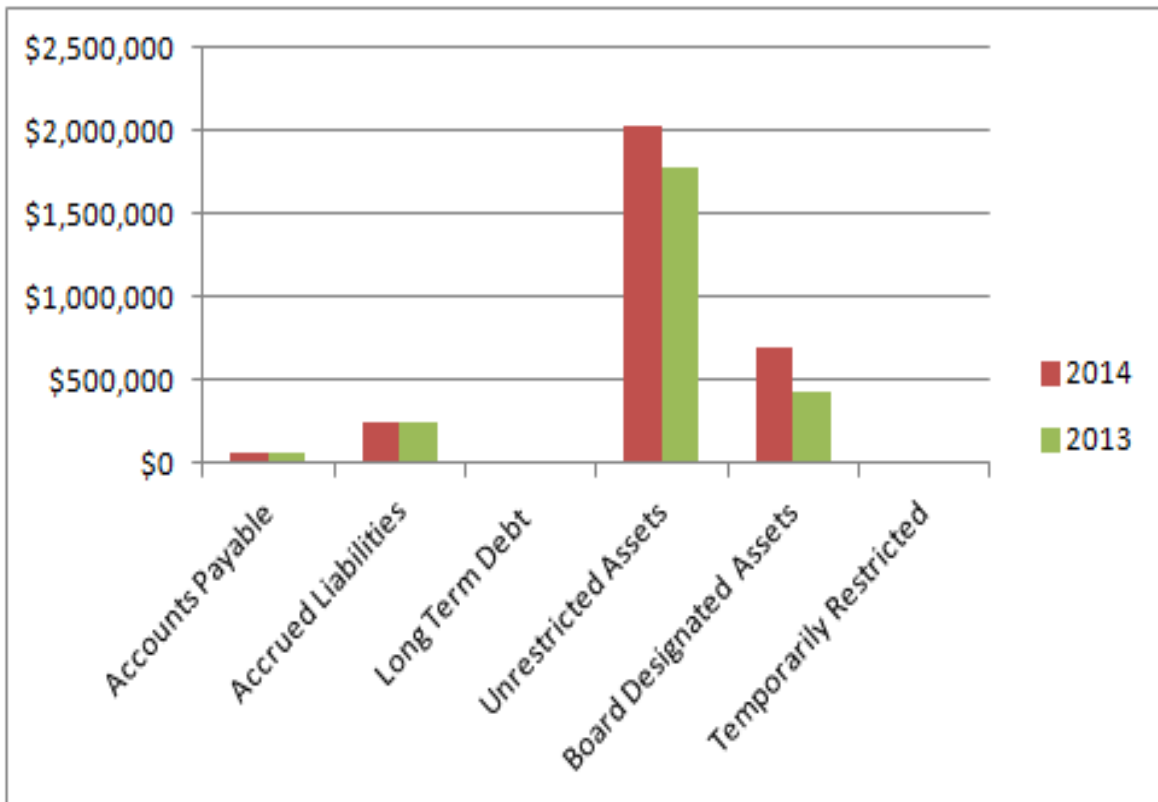
Financial Report cont.

	2014	2013
REVENUE:		
Support – Grants and contributions	\$ 43,216	\$ 25,938
Sales - Production	5,410,186	2,670,032
Community Employment Services	810,975	789,813
Grounds Maintenance	324,039	303,695
Investment Income	57,683	82,307
Other Revenue	21,179	33,181
TOTAL REVENUE	\$6,667,277	\$3,904,966
EXPENSES:		
Production	\$4,661,536	\$2,522,267
Community Employment Services	539,835	535,873
Grounds Maintenance	287,114	266,735
Administration	676,300	608,119
TOTAL EXPENSES	\$6,164,785	\$3,932,994
NET ASSETS, Beginning of Year	\$2,221,426	\$2,249,454
NET ASSETS, End of Year	\$2,723,918	\$2,221,426
INCREASE (DECREASE) IN NET ASSETS	\$ 502,492	\$ (28,028)

Assets



Liabilities and Net Worth



Our Board



Kurt Hefferline – Past Chair



Denny Doneen – Director



Dave Ryberg - Chair



John Stewart - Treasurer



Peter Rasco - Director



Sunshine Allen - Director



Colleen Fisher - Director



Marty Lehr – Vice Chair

Partners and Certifications

OUR

COMMUNITY PARTNERS

Altair Advanced Industries

Blue Sea Systems

Boeing Commercial Aircraft Company

Boeing Shared Services Group

Department of Vocational Rehabilitation (DVR)

Developmental Disabilities Administration (DDA)

General Tool Corporation

IDEX Health & Science

Mount Vernon School District Transitions Program

Peace Health United General Medical Center

Pleasant Ridge Cemetery

Port of Anacortes

Port of Skagit – LaConner Marina

Skagit Valley College

Skagit Valley Hospital

Woodstone Corporation

Outback Power Systems

United Way of Skagit County

CERTIFICATIONS AND ACCREDITATION:



CARF Accredited

ISO 9001:2008

AS 9100 rev. C

**D6 – 82479 Appendix A
(BQMS Approved)**